



## NEWS RELEASE

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### **For Immediate Release**

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### **MAGELLAN HEALTH SERVICES AND VALUEOPTIONS AGREE ON TRANSITION OF BEHAVIORAL DIRECT CARE FACILITIES Agreement Assures Continuity of Care for Behavioral Health Recipients ValueOptions Withdraws Protest of Contract Award**

PHOENIX – July 18, 2007 – Magellan Health Services, Inc. and ValueOptions, Inc. have reached agreement for the transition of the behavioral health direct care facilities serving the Maricopa County Regional Behavioral Health Authority (RBHA). Under the agreement, reached Tuesday, Magellan will purchase the assets associated with the facilities from ValueOptions for \$10.5 million, and ValueOptions will withdraw its protest of the contract award, which it filed last week. As a result of the agreement, Magellan and ValueOptions anticipate that RBHA participants will continue to receive services at the facilities they have become accustomed to.

Russell C. Petrella, Ph.D., president of behavioral health for Magellan, said, “Our priority has been to make certain that the individuals served by the new Magellan RBHA continue to have easy access to high quality care with practitioners they trust. We are very pleased to have reached a mutually acceptable resolution on this critical transition matter. We fully expect that these facilities will remain in their current locations and are looking forward to bringing all of the staff on as Magellan employees as of September 1.”

Barbara Hill, CEO of ValueOptions, said, “During the nine years we served as Maricopa County’s RBHA, we worked hard to build a delivery system of 23 clinics, a hospital, a lab and two pharmacies. We felt it was very important that individuals receive care at the same clinics they have utilized for so many years. We also wanted consumers to see the same providers as consistency in the consumer-provider relationship is key to recovery. I am pleased that we were able to agree that our entire clinic staff of more than 1,300 people would be offered positions with Magellan.”

Magellan’s and ValueOptions’ agreement for the purchase of the facility assets is expected to close August 31, 2007. Both companies have pledged their full and complete cooperation throughout the transition of the contract, which Magellan assumes on September 1, 2007. Implementation activities have been under way since mid-June and, have focused on establishing the shared governance structure for the new RBHA, hiring

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management and staff, contracting with and training provider network organizations and individual practitioners and working with consumer groups and advocacy organizations, in addition to planning for the transition of the clinics and other facilities.

“This agreement paves the way for true collaboration among ValueOptions, Magellan, the Arizona Department of Health Services, providers and the community to make a smooth transition to the new RBHA structure in September,” Petrella added.

About Magellan: Headquartered in Avon, Conn., Magellan is a leading specialty health care management organization. The company manages public sector behavioral health care programs covering nearly two million individuals through direct contracts with government agencies in Florida, Iowa, Nebraska, Pennsylvania, and Tennessee. It also manages behavioral health care as a subcontractor to leading health plans serving Medicaid programs in Indiana, Nevada, Ohio, and Texas. In addition to behavioral health care, Magellan manages radiology benefits and specialty pharmaceuticals. Its customers include health plans, corporations, and government agencies.

About ValueOptions: ValueOptions, the nation’s largest independent behavioral health care company, covers 24 million individuals through a variety of direct contracts with health plans, employers, as well as through state and county agencies. ValueOptions is a national managed care company that specializes in disease management for all mental health and chemical dependency diagnoses.

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